

## Country profile for Indonesia<sup>1</sup>

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The purpose of this country profile, developed in the framework of Urban-LEDS II project, is to provide a summary of relevant context at the national level, and background information that can feed into the overall project implementation and communication. It is intended to be a “*living document*” that will be updated over time during the project.

The document addresses the following specific requirements:

- To provide background information about the country to guide project implementation at the local level;
- To gain insight into the structures, process, roles and mandates of national, regional and local government levels with the aim to contribute towards vertical integration between national and local governments and to support the implementation of LEDS at the local level;
- To contribute towards the gap analysis and exploring vertical integration solutions with different levels of governments; and
- To establish a dialogue and explore partnerships and networking opportunities with political leaders at all government levels.

Please note that many of the information and indicators of this profile are aligned with the reporting platform carbonn Climate Registry (cCR) – <http://carbonn.org>

**Human activities in cities contribute a significant and growing proportion of global** greenhouse gas emissions, driving the demand for energy and other services in urban areas with rapid population growth. UN-Habitat and ICLEI are taking on this challenge by accelerating urban low emission development and climate resilience across more than 60 cities worldwide, using a multilevel governance approach to urban climate action. Through Urban-LEDS, cities develop comprehensive urban Low Emissions Development Strategies and work together to implement their plans and develop pilot projects and finance models for LEDS implementation. Urban-LEDS strengthens cooperation and information sharing across national and local governments, positioning all levels of government to advance, track and deliver on global climate and sustainability goals. [www.urban-leds.org](http://www.urban-leds.org)

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<sup>1</sup> Urban-LEDS II project Output (Op1.2)


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## 1. Overview

### Key information of the country

Flag	
Country map with Urban-LEDS II project cities	
Key geographical attributes of the country	<p>An archipelagic country with over 17000 islands spread from West to East on the Equator, lying on the Pacific Ring of Fire that provides it with many volcanoes that expelled nutritious volcanic ash for its surrounding plant life, while at the same time putting it at risk of earthquakes. Out of those thousands of islands, there are 5 main ones – Sumatra, Kalimantan (Borneo), Java, Sulawesi (Celebes), and Papua. There's also Bali, an island famous for its tourist destinations. Climate in Indonesia is tropical, with a rainy season, a dry season, and a transitional season. Indonesia is a transcontinental country, with islands that can be geologically classified as either part of Asia or Australia. Maritime-wise Indonesia is very strategic, as it is located within the marine corridors of three important regions – East Asia, South Asia, and Oceania.</p>
Size of population (year)	238 million people (2018, data from World Population Review)
Size (km <sup>2</sup> )	1,904,569 km <sup>2</sup>
Population density (year)	140.08/km <sup>2</sup> (2018, data from World Population Review)
Official language(s)	Indonesian
Major religions	Islam, Roman Catholic, Christianity (Protestant), Buddhism, Hinduism, Confucianism
Time zone	GMT +7
<a href="#">GDP per capita</a> (€)	3541.14 (2018)
Annual GDP Growth rate	5.27% (Q2 2018)
% of population living in poverty	9.82% (March 2018)
Unemployment rate	5.13% (Q1 2018)
Greenhouse Gas emissions (total in CO <sub>2</sub> e/year)	<p>1,364,337 Gg CO<sub>2</sub>e (2014, already including PFCs)</p> <p>864,907 Gg CO<sub>2</sub>e (not including LULUCF and peat fire)</p>



<p>Greenhouse Gas emissions by sector</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>WITH LULUCF</p> <p>(2014)</p> </div> <div style="text-align: center;"> <p>WITHOUT LULUCF</p> </div> </div>
<p><a href="#">GINI Index (World Bank)</a>(year)</p>	<p>0,389 (March 2018)</p>
<p>Number of cities reporting in carbonn Climate Registry (cCR)</p>	<p>11 (Balikpapan, Banda Aceh, Bandung, Bekasi, Bogor, Cimahi, Malang, Probolinggo, Semarang, Tangerang, Special Capital Region of Jakarta)</p>



## 2. Governance structure

This section provides information on the governance structure of the country.

The first table shows how governments are appointed, the nature of the relationships between different governments (hierarchical, collaborative and equal, etc), as well as the number of regional and local governments.

- Spheres or Levels of Government

Level of Government	Character	Mandate/Role	Head of government (type)	Appointment (elected or appointed)
National	<p>Indonesia is a republic with a presidential system. In this system, the President of Indonesia serves as both head of state and government. The Indonesian government can be divided into three important branches - the Executive branch, the Legislative branch, and the Judicative branch. The phrase "government of Indonesia" often colloquially means both the Executive and Legislative branches together, as they are the ones responsible for the day-to-day governance and law-making process in the country. However the ones truly responsible for Indonesia's governance is the Executive branch, represented by the Cabinet of Indonesia.</p> <p>The Cabinet of Indonesia is composed by the most senior appointed officers of</p>	<p>National legislative competencies on climate/energy/environment:</p> <p>The Ministry of Environment and Forestry deals with subjects such as the environment, climate change, and conserving Indonesia's forests.</p> <p>The Ministry of Energy and Mineral Resources deals with subjects such as renewable energy, energy efficiency, and mineral resources.</p> <p>The Ministry of Maritime Affairs and Fisheries deals with subjects concerning Indonesia's seas and fisheries.</p> <p>The Ministry of Agriculture deals with subjects concerning farming, plantation,</p>	<p>President: Joko Widodo Since 20 October 2014</p>	<p>Elected by proportionate voting system</p> <p>Last election: July 2014, next election in 2019</p> <p>5-year term</p>





	<p>the government's Executive branch that serves underneath the President of Indonesia. The members of the Cabinet (with the exception of the Vice President) can be dismissed at will for no cause by the President.</p> <p>The Legislative branch of the government of Indonesia is comprised of the People's Consultative Assembly. Following the 2004 elections, the Assembly works on a bicameral parliament system, with a second chamber - the Regional Representatives Council - being created in an effort to increase regional representation. This Council works as the upper house of the Assembly, with the lower house being the People's Representative Council, otherwise known as the House of Representatives. There are 550 members of the House of Representatives, that serve a five-year term by proportional representation in multi-member constituencies.</p> <p>Since 1999, Indonesia have adopted a multi-party system. In the legislative elections following the fall of the New Order regime in the late 90s, no political party has won an overall majority of seats. This results in governments in the Reform era being formed from coalitions.</p> <p>The Indonesia judiciary system is</p>	<p>horticulture, agriculture, and livestock.</p> <p>The Ministry of Public Works and Public Housing deals with subjects concerning the housing of the people, public infrastructure and the country's water affairs.</p>		
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	comprised of the Supreme Court of Indonesia, the Constitutional Court of Indonesia, public courts, religious courts, administrative courts and military courts.			
34 Provinces	<p>The 34 provinces in Indonesia are headed by a Governor and has its own legislative body (representative body). Both the Governor and the members of the representative body are elected once every five years.</p> <p>Out of these 34 provinces, 5 of them are special regions – the autonomous provinces of Aceh, Papua, and West Papua as well as the Special Capital Region of Jakarta and the Special Region of Yogyakarta.</p>	<p>The region, in particular, traces the programs, resources and targets development and promotion of the territory, determined contractually between the state and local communities to ensure development economic, social and cultural territory.</p> <p>The region coordinates, under the authorities of the ministries concerned, decentralized services of the state in the region and the implementation of national programs.</p>	Governor	Democratically elected
514 Cities and Regencies	<p>In Indonesia, cities and regencies are considered in the same level. They are each headed by a Mayor (cities) and a Regent (regencies) and they each have their own local government and legislative bodies. Regencies are located in the more rural areas while cities are focused on non-agricultural activities.</p> <p>Mayors, Regents, and members of legislatures serve a 5-year term, renewable only once and are democratically elected by the people.</p>	<p>Since the Prefect represents the State within the communes, he is also responsible for the “contrôle de légalité” (control of legality). This is a mechanism by which the central government controls for the compatibility of communal acts, including the annual budget.</p>	Mayor (cities) Regents (regencies)	Democratically elected
Districts and	The third level of Indonesia’s subdivisions, districts are exclusive to	As specified in the 2007 decentralization law, municipalities should have	District chief (districts), <i>camat</i>	Appointed by mayors or regents





subdistricts	the Papua provinces while subdistricts are regions of the same level in other provinces. A District is headed by a district chief ( <i>kepala distrik</i> ) while a subdistrict is headed by a <i>camat</i> , a civil servant that has been specifically appointed to that role. Both answer to their region's respective mayors or regents.	competences within the following nine areas: (1) local development and regional planning; (2) planning and habitat; (3) infrastructure, equipment, transport and communications; (4) energy and hydraulics; (5) management of natural resources and environmental protection; (6) trade and crafts; (7) education and vocational training; (8) health, population, social welfare and civil protection; (9) sports, leisure, tourism and cultural activities  In most of these areas, the municipalities share their competences with the prefectures and regions.	(subdistricts)	
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- List of key actors and map institutions of the country

Please find the institutional mapping of the country in Annex A of this document





### 3. Relevant national legislation and context

Please list legislations, governing policies, documents and plans with hyperlinks, including relevant targets or indicators, on the following areas:

Sector	Legislation / policy/ plan name	Brief description	Year adopted	Hyperlink	Headline target/ goal	Key related statistics
Climate	REDD+	An effort by countries (Indonesia included) to reduce emissions from deforestation and forest degradation, as well as to foster conservation, sustainable management of forests, and enhancement of forest carbon stocks	2009		<p>Reducing forest-related carbon emissions by 29% by 2030</p> <p><i>Unconditional National climate change targets (Adaptation and mitigation)</i></p> <p><i>Conditional National climate change targets (Adaptation and mitigation)</i></p>	<p>National Climate hazards identified / mapped</p> <p>National Critical assets identified / mapped</p>
Energy	Electricity Supply Plan (RUPTL)	A plan to slowly convert Indonesia's power grid into utilizing renewable energy	2018		By 2025, 23% of Indonesia's power grid must be powered by renewable	By 2025, Indonesia's power grid will consist of: 54,4% coal, 23% renewable energy, 22% natural gas, and 0,4% fossil fuel.





		sources. This involve installing solar power plants, replacing the fuel for diesel power plants with palm oil, installing micro-hydro power plants, and encouraging the usage of water power plants and geothermal power plants.			energy sources.	
Mobility						<ul style="list-style-type: none"> <li>• ;</li> <li>• Modal split,</li> <li>• Access to public transport</li> <li>• % of transport sector consumption delivered by renewables</li> <li>• Etc</li> </ul>
Buildings	<i>e.g sustainability-related building codes</i>					<ul style="list-style-type: none"> <li>• % informal households</li> <li>• Housing deficit/backlog</li> <li>• Etc</li> </ul>
Waste management						<ul style="list-style-type: none"> <li>• Per capita waste generation</li> <li>• % recycling rate</li> <li>• Etc</li> </ul>
Water						<ul style="list-style-type: none"> <li>• % access to water &amp; sanitation</li> <li>• Etc</li> </ul>
Sustainable development						





Air quality						<i>Annual/daily particulate matter/N02/S02 averages</i>
Land use						<ul style="list-style-type: none"> <li>• % human settlements VS other land use</li> <li>• Ecosystem services</li> <li>• Etc</li> </ul>
Biodiversity						<ul style="list-style-type: none"> <li>• Endangered species</li> <li>• Natural parks</li> <li>• Ecosystem services</li> <li>• Etc</li> </ul>
Food & agriculture						<ul style="list-style-type: none"> <li>• Number of jobs created by the food sector in urban and rural area</li> <li>• Budget allocated to projects related to food</li> <li>• Is agriculture a land use category in the country planning?</li> <li>• Etc</li> </ul>



#### 4. Assessment of NDC in relation to sub-national government

Publication date of latest NDC	November 2016
Lead agency/ Ministry	Ministry of Environment and Forestry
Governance structures for implementation	Multi-level governance
To what extent are a) Sub-national government b) Urbanisation/urban relevant sectors <sup>2</sup> mentioned in the NDC?	The role of sub-national jurisdictions is emphasized within the NDC, that will utilize a landscape-scale and ecosystem management approach.
Do any urban-related NAMA's or NAP's, or coordinated urban/climate programs, targeted at sub-national government, exist? If so name them here	Yes: The promotion of efficient energy The development of alternative and renewable energy sources A reduction in solid and liquid waste Shifting to low emission transport
Briefly describe the Monitoring, Reporting and Verification system that exists/being planned for climate action.	Indonesia has developed its MRV system to keep track of the national GHG emission levels, funding, and impact of mitigation actions implemented. The system assesses whether a defined emission reduction target can be achieved and whether any additional measures are needed – thus achieving a state of transparency.
What are the major barriers identified preventing sub-national involvement in implementation of the NDC and related policies?	Not all local governments are aware of the submitted NDC of the Indonesian government that identified emission reductions of about 29% by own effort and 41% with international support by 2030 due to the lack of communication and awareness. There's also a lack of funding due to climate change not being considered a priority by local governments, and some local governments are severely lacking in guidelines that forces the integration of RAD-GRK with the governments' own local medium-term development plan.

- How can local and regional governments help national governments (including ministries of climate change and urbanization) to seize the potential of sustainable and integrated urban and territorial development in the implementation of the NDC of your country?

<sup>2</sup> Data for your country may be found in UN-Habitat's recent publication:  
<https://unhabitat.org/books/sustainable-urbanization-in-the-paris-agreement/>



Not available yet

- What are the options to integrate commitments and actions of local and regional governments in to current and future NDCs of this country?

Not available yet

- How can your national government collaborate with local and regional governments to mobilize appropriate capacity building, technical, financial resources and policy/legal framework to realize solutions addressed in delivering and raising ambition; in 2018, towards 2020, towards 2050?

The Presidential Decree no. 61 Year 2001 on National Action Plan for GHG Emission Reduction has mandated that all local governments to develop their own provincial action plans to reduce GHG emissions. However, the lack of communication and socialization meant that not all local governments are aware about the submitted NDC of the Indonesian government that identified the amount of emission reductions. This lack of awareness led to a lack of planning and budget within the local governments, with them not placing climate change within their priorities. However, the ones that are already aware of the problem has started to implement concrete actions in reducing their GHG emissions, by implementing flagship projects in the sectors of energy, low-carbon ordinances, and waste management.

## 5. List of Project Advisory Group (PAG) members

Annex C - Information not available yet.



## 6. Financial System

- National Budget

At the national level, Indonesia has several funds that can be accessed to implement climate change actions. Although they are not called 'climate change funds', they can be used for relevant climate change activities.

National government funding can be provided from taxation revenue raised within Indonesia or it may be loaned or granted to the Government of Indonesia by a foreign government. National government funding may be provided directly to local government, through one of the government department programmes mentioned in the National Action Plan for Greenhouse Gas Reduction (RAN-GRK), or indirectly through the relevant provincial government. By law, foreign governments cannot provide funding direct to local government in Indonesia.<sup>3</sup>

- Climate finance

The table below identifies any national mechanisms by which local governments can access climate finance, e.g., via a national climate fund and/or a dedicated revenue transfer.

Key funds available	Relevant accredited entities	Brief description of fund	Timeline	Amount of funding (€)
<i>Inter-government transfers (Grants)</i>		<p>There are three ways in which funds are transferred from the national government to local government:</p> <ol style="list-style-type: none"> <li>1. Revenue Sharing Fund (Dana Bagi Hasil, DBH);</li> <li>2. General Allocation Fund (Dana Alokasi Umum, DAU);</li> <li>3. Special Allocation Funds (Dana Alokasi Khusus, DAK).</li> </ol> <p>The first two of these funds, DBH and DAU, are unified in the local government budget (Anggaran pendapatan dan Belanja Daerah, APBD) and</p>		varies

<sup>3</sup> Under the Minister of Finance Decree 35/KMK.07/2003 *On-lending and on-granting of Foreign Loans to Regions*, foreign loans and grants must be dispersed by Bappenas.



		there is no earmarking of funds for particular expenditure items. DAK funds can be earmarked but expenditure needs to be in accordance with DAK technical guidelines and within sectors prioritized by the Ministry of Finance.		
Indonesia Climate Change Trust Fund		The Indonesia Climate Change Trust Fund (ICCTF) is a key instrument of the Government of Indonesia in reducing emission intensity and greenhouse gases emission through actions of low carbon development and adaptation on climate change impact. Through leveraging and channelling of domestic resources and international funds into projects aligned with Indonesia's RAN/RAD-GRK implementation plan, the ICCTF supports Indonesia's 26% / 41% emission reduction target.		Varies per project

### Accessing International Public Funding

Foreign loans and grants cannot be accessed directly by local governments in Indonesia. According to Minister of Finance Decree 35/KMK.07/2003 *On-lending and on-granting of Foreign Loans to Regions*, international funds must be approved by Bappenas and dispersed by the Ministry of Finance. If a city has the opinion that a foreign lender or donor would be interested in financing a project, it can seek advice from one of the advisory services mentioned above. It may be possible to join with other cities interested in similar projects and make a combined approach to Bappenas to ask that they work with the foreign lender or donor to fund the potential projects.<sup>4</sup>

Key funds available	Relevant accredited entities	Brief description of fund	Timeline	Amount of funding (€)
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<sup>4</sup> Stephen Kennihan, Assessment of Potential Funding Sources for Urban-LEDS Project, page 9.





Global Environment Facility	YBUL (Yayasan Bina Usaha Lingkungan) for small grant programs	Established to provide assistance to developing countries to meet the goals of addressing global environment issues while supporting national sustainable development initiatives	GEF can finance through several schemes: (i) full-sized project, where the investment value: >USD 2 million; (ii) medium-sized project, where the GEF grant is equal to or less than USD 2 million; (iii) for enabling activities, where the GEF grant is capped by the respective focal area threshold; (iv) programmatic approach; and (v) through the Small Grants Program at the maximum investment of USD 50,000.
Green Climate Fund	PT Sarana Multi Infrastruktur (an infrastructure finance company established on 26 February 2009 as a State-Owned Enterprise (BUMN) with 100% share ownership by the Government of Indonesia through the	Designed to fund climate change projects/programmes with high risks, which no other funds or investors would take due to the risks	



	Ministry of Finance of the Republic of Indonesia).			
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## **Annex A - Institutional mapping of Indonesia**

Not available yet.

## **Annex B – Climate hazards and critical assets mapping**

See Annex B - attached

## **Annex C – National Project Advisory Group (PAG) members**

Not available yet.

